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The case of wine: understanding Chinese gift-giving behavior

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1 Introduction

Gift-giving represents a multi-faceted behavior that is not only driven by transactional but also social benefits inherent in cultural conventions (Beatty et al. 1991). The giving and receiving of gifts imply a process of social exchange, which symbolizes one's social status, relationships, and cultural ceremonies (Belk 1979; Giesler 2006). While prior studies identified distinctive gift-giving behavior (GGB) patterns in Western and (comparatively fewer) Eastern contexts, few have analyzed drivers of individual GGB (Davies et al. 2010; Shanka and Handley 2011). This study aims to analyze individual GGB in an Eastern cultural context, specifically China, which is largely under-researched and not well-understood (Zhuo and Guang 2007).

In the past few decades, emerging Asian economies showed strong demand and preferences toward grape wine (Banks and Overton 2010). Consumers from these rapidly growing economies exhibit notable differences in wine consumption tradition and preferences (Williamson et al. 2012) as compared to consumers elsewhere. As one of the world's fastest growing and evolving economies, China represents significant economic value and exhibits unique cultural characteristics, which makes it a critical market to understand (Liu et al. 2010). Chinese consumers may choose more reliable and familiar local brands for gift-giving occasions given the absence of essential wine selection knowledge and need to minimize risks of social approval. Highly reputable local brands symbolize self-prestige and generate good face, which are prominent considerations in gift selection in China (Muhammad et al. 2014).

Rapid economic development increases not only the adoption of Western products, but also influences how they are consumed (Rozelle et al. 2007). Historically, the major wine consumed by Chinese consumers has been rice wine (Camillo 2012). Grape wine, which was introduced during China's economic reform in the 1980s, has recently become one of the

most popular beverages for special occasions, as well as everyday consumption (Camillo 2012). Grape wine is often confused with other types of fruit wine in China (Veseth 2011) and is associated with its relatively short history of consumption and production. Historically, foreign wines, imported in casks, have been mixed with other fruit wines to increase their sweetness and reduce retailer costs (Muhammad et al. 2014). This contributes to the different expectations and sensory preferences of Chinese wine consumers, where sweet wines with lower intensity level are generally preferred (Williamson et al. 2012).

With increasing competition from domestic and foreign wine brands, China represents a highly competitive case for both wine production and consumption. Consumers' wine preferences are influenced by the local environment and historical consumption (Banks and Overton 2010). As such, we consider China a suitable market to explore the distinguishing wine consumption patterns emerging within Asia. China presents some unique patterns of behavior that we explore in this study. Additionally, aside from the dominant market size and purchasing power, China significantly differentiates from other Asian nations through its dominance of domestic state-owned wine producers (Bobik 2014). Despite its relative short history of grape wine making and consumption, domestic wineries such as China Great Wall and Yantai Changyu continue to dominate almost 50 % of the local market share (Bobik 2014).

These shifting consumer preferences have contributed to the emergence of a new consumption culture, whereby grape wine consumption is often driven by social, symbolic, and cultural influences (Camillo 2012). Grape wine not only reflects a healthier and “trendier” lifestyle, but given its Western origins, is associated with an image of affluence (Yu et al. 2009). The consumption of grape wine is perceived to demonstrate improved economic conditions and symbolizes a prestigious social status due to its association with Western lifestyles, luxuriousness, and success (Somogyi et al. 2011). These benefits and

positive product perceptions drive grape wine's popularity in China, especially for important social and cultural occasions such as business banquets and gift giving (Goodman 2009).

Though grape wine is becoming popular for gift giving and social banquets, low awareness and limited knowledge remain the biggest challenges for foreign wine brands (Muhammad et al. 2014). Particularly for red wine which is associated with luck and fortune in Chinese culture, many consumers still mistakenly believe that all grape wines are red (Liu and Murphy 2007).

While cultural and social conventions distinguish Chinese GGB from the West, the drivers of Chinese gift purchases remain unexplored (Joy 2001; Shanka and Handley 2011). Our understanding of the consumption of high-involvement products in a Chinese context is relatively limited. This paper will focus on the gift consumption of grape wine (referred to as "wine" from this point onwards), which remains a new and exclusive good for the Chinese consumer to improve our knowledge of a high involvement product in a Chinese context.

As with research in European nations, no uniform conclusions on consumer attitudes and behavior can be drawn from a study based in one country to an entire region. That is to say that insights derived from China are different to consumers elsewhere. Other Asian markets, such as Japan, suggest a case where grape wine consumption is reliant on imports and almost non-existent domestic production (Banks and Overton 2010). As such, behavioral generalizations cannot be extended across all Asian countries. However, this study may serve as a baseline for other Asian societies influenced by Chinese culture as well as future comparative research into two distinctive Asian nations and their product consumption.

This paper sheds light on the influences on consumer attitudes toward the gift giving of wine (GGW) as an emergent behavior in China, using the Theory of Planned Behavior (TPB) as a theoretical foundation, as well as insights gauged from the embeddedness literature. Given the salience of country-of-origin (COO) in Chinese wine consumption, its

effect on individual GGW decision-making is also explored. Specifically, the differentiating impacts of domestic and Western COOs (China and Australia, respectively) are compared at both attitudinal and behavioral levels. Furthermore, an assessment of the boundary conditions of COO effect is conducted, whereby the moderating effects of ethnocentrism and gift packaging (a culturally significant variable) are examined. Our research focuses specifically on social and interpersonal gift giving, whereby gift giving is primarily conducted for impression management and relational development, such as the relationship nurtured between friends. Gift giving between family members and business partners was excluded from our study.

This article is structured as follows. First, a review of relevant literature will be provided along proposed hypotheses. Next, the research design and method are examined followed by the analysis of results. Lastly, implications, limitations, and future research areas are discussed.

2 Background

While more recent GGB research conducted in Western societies emphasizes voluntary and altruistic motivations to give gifts, the instrumental or obligatory motivations are found more salient in Asian GGBs (Sankaran and Demangeot 2011). Individuals actively participate in GGB for positional seeking and relational bonding (Brown et al. 2011). In addition, GGBs are often perceived as one's social obligation, mainly due to the prominence of relationship orientation and collectivistic culture in most Asian societies (Qian et al. 2007). Particularly in China, the giving and the reciprocity of gifts demonstrate one's moral obligation and fulfillment of social duty (Jiang et al. 2012). The violation of such moral codes could hamper one's reputation and social connections particularly in Asia (Yau et al. 1999). Thus, Chinese GGB often involves higher expenditure and consumer involvement given its high social

importance (Brown et al. 2011; Zhuo and Guang 2007). Major cultural conventions that impact on Chinese GGBs are collectivism and Confucian philosophy, which emphasizes both relationship harmony and group conformity (Zhuo and Guang 2007). The considerations on *guanxi* (relationship), *mianzi* (saving face), and reciprocity (Chan et al. 2003; Shi et al. 2011) are reflected in everyday exchange and consumption behavior, particularly in driving attitudes and intentions to give gifts.

Previous dyadic GGB research mainly focused on the motivations of the gift giver and the selection of gifts (Wolfenbarger and Yale 1993). Individuals hold different GGB motivations, varying from altruism (maximizing the recipient's pleasure) to agonism (maximizing the giver's personal satisfaction) (Sherry 1983). The norm of giving a gift is also identified as an additional motive in China (Yau et al. 1999). Chinese GGB is closely associated with social goals such as impression management and symbolism of a relationship (Joy 2001). Therefore, the recipient's preference and relevant third parties in the network can strongly influence the gift giver's decision (Lowrey et al. 2004).

In China, three primary goals to engage in GGB are as follows: to manage one's social status, to maintain or improve relationships, as well as to demonstrate conformity to agreed social norms (Yoon et al. 2011). The embedded relationship among the giver, recipient, and relevant third parties within the same social network impose significant influences on one's GGB (Brown et al. 2011; Jiang et al. 2012). The associated social goals and perceived moral obligation could greatly motivate the gift giver to conform to peer influences and agreed social norms in the selection and purchase of gifts in order to protect one's sociability (Chen and Kim 2013; Yoon et al. 2011). This is consistent with the embeddedness and network literature (Uzzi 1996). As such, this study on interpersonal GGB for social exchange purposes (i.e., relational development, status seeking, social conformity), incorporates GGB goals and external social influences on the decision making (Jiang et al.

2012; Joy 2001). GGB between family members will not be discussed as it involves significantly different behavioral drivers with the primary focus on practicality and non-reciprocation of gifts (Belk and Coon 1993; Joy 2001).

While specific product categories are found to be more suitable for certain gift-giving occasions and recipients (Belk 1979), few studies have explored the application of GGB in the context of a particular product class (Sherry 1983); to explore the underlying decision-makings of Chinese GGB, this study utilizes a specific product category carrying extensive symbolic and social meanings in China—grape wine.

2.1 The grape wine market

The Chinese alcoholic beverage market has been traditionally dominated by non-grape wine and beer consumption (Camillo 2012). Wine is consumed for distinctive purposes from hedonic motives to please guests or friends and cultural celebrations (Charters and Pettigrew 2008; Lockshin and Hall 2003). As a social beverage, a major function of wine is to facilitate social interactions as a “social lubricant” (Charters and Pettigrew 2008; Hatak and Stöckl 2008). Like many other Western-originated products, the consumption of grape wine is perceived as a “symbol of modernity and status” (Ger and Belk 1997). Given these social and symbolic benefits, grape wine is purchased and consumed as a popular beverage for both business banquets and cultural celebrations given its ability to show “good face” for both the host and guests (Camillo 2012).

In China, grape wine is widely regarded as an “image product,” conveying an upper class status and admiration toward a Western lifestyle (Liu and Murphy 2007). When wine is purchased for banquets or gift-giving purposes, acceptance and approval from dinner companions, guests, or gift recipients are important considerations when making purchase choices (Liu et al. 2010; Qian et al. 2007). This is also reflective of the embeddedness

imbued in the system whereby the social expectation and structures change the likelihood of consumers acting in a given manner (Uzzi 1996). Wine as a gift needs to address the social goals of the giver as well as demonstrate conformity to agreed social norms (Brown et al. 2011). Generally, Western wine brands are favored by Chinese consumers, especially for important social and cultural occasions such as gift giving (Li and Su 2007; Shi et al. 2011). Western brands are more likely to be approved by the gift recipient or relevant third parties, as well as guaranteeing a quality and prestigious status (Hu et al. 2008). Furthermore, individuals are more willing to pay higher prices and increase selection efforts in GGW to avoid “losing face” (being disapproved by the recipient or the public) (Hu et al. 2008).

To understand the drivers and consumption pattern of Chinese GGW, individual decision-making process is examined utilizing the TPB in this article. As country-of-origin (COO) exhibit significant influences on both GGB and wine consumption, the direct impact of COO on Chinese GGW behavior is analyzed. More specifically, the impacts of domestic and Western COOs are compared given the popularity of Western product origin and the salience of product symbolism in Chinese GGW (Charters and Pettigrew 2008; Hu et al. 2008). In the following section, the theoretical framework is discussed.

3 Theoretical Framework

GGB can be understood through the application of various theoretical lenses; the two most applicable in understanding exchange in consumption are the TPB and embeddedness (in network theory) (Ajzen 1991; Granovetter 1985). The Theory of Planned Behavior (TPB) (Ajzen 1991) has been widely utilized to understand high involvement decision-making and complex social behaviors (Gardner et al. 2012). The TPB analyzes how attitudes toward behavior, subjective norms (SNs) (perceived social pressure from important referents to

perform or not) and perceived behavior control (PBC) (perceived ease/difficulty to perform), accounted for the formation of purchase intentions as a proxy of behavior (Ajzen 1991).

The adoption of this approach enables us to explore GGB through a quantitative large-scale analysis, identifying the impact of individual beliefs, normative influences, as well as behavioral control factors on Chinese GGW. Moreover, we seek to understand the individual decision making in GGW. This sets this study apart from the majority within the broader gift-giving literature, which has sought to understand gift-giving behaviors in a Western context through an anthropological or sociological lens.

Analysis was conducted here on a more micro scale enabling no generalizations (Belk and Coon 1993; Sherry 1983).

Considering the socially driven nature and prominence of peer influence in Chinese GGW, the total network of an individual plays a critical role in one's decision-making (Yau et al. 1999). Therefore, the embeddedness literature, which primarily addresses the embedded relations in an individual's exchange behaviors, is considered in this study (Granovetter 1985). "Network theory argues that embeddedness shifts actors' motivations ... toward the enrichment of relationships through trust and reciprocity" (Uzzi 1996, p. 676). This is especially relevant when forming attitudes toward the good of social significance. Specifically, GGW is directly influenced by the ongoing relationship among the giver, the recipient, and relevant third parties form the total network (Granovetter 1985; Ryan 1982). As gift purchase behavior is primarily driven by the perceived social gains more than the economic value attributed to the purchased gifts, the social structure and relations plays a predominant role in Chinese GGW (Lowrey et al. 2004). This thus complements the TPB model, examining normative influences and social norms as antecedents of GGW attitudes and behavior (Komter 2007). In addition, country-of-origin (COO), ethnocentrism, gift

packaging, and perceived product image are also identified as antecedents and moderators for GGW attitudes, intention, and behavior in a Chinese context. Each of these is discussed next.

4 Hypotheses

4.1 GGW Attitudes

An individual's attitude toward GGW serves as an important predictor of intention and behavior (Ajzen 1991). Chinese consumers hold positive attitudes toward wine mainly due to its favorable social image and health benefits (Liu and Murphy 2007). The embedded Western origin and associations are highly admired by Chinese consumers, allowing them to project prestigious social status, to express aspirations toward Western (especially French) values and lifestyles, to show good face, and to please significant parties (e.g., the recipient) for gifting occasions (Camillo 2012). Although previous literature confirmed that positive attitudes lead to higher purchase intentions, the impact of attitudes on the actual purchase behavior in wine consumption and GGB has not been established (Lockshin and Hall 2003). This distinction is important for an emergent market where intentions are an important predictor of future behavior whereas behavior enables us to track current consumption. Therefore, it is proposed that the more favorable the attitude consumers hold toward wine for gifting purposes, the more likely they will form positive intentions leading to behavior.

H1: *An increase in favorable attitudes toward GGW will increase (a) consumer's GGW intention (b) GGW purchase behavior.*

4.2 Antecedents of GGW Attitudes

4.2.1 Perceived Product Image

In order to show good face (*mianzi*), products with a more favorable perceived product image are often preferred by Chinese consumers (Li and Su 2007; Ritchie 2009). Extensive research on Chinese wine consumption revealed that Chinese consumers' perceptions of wine are

largely influenced by France, which is regarded as the origin of fine grape wine. As the very first foreign wine brand that has been introduced to China, French wine reflects sophisticated winemaking skill and tradition, as well as the embedded affluent culture and lifestyle aspirations (Liu and Murphy 2007). This primarily forms the prestigious and sophisticated image of wine, generating perceived social benefits such as enhanced social status and relationships (Camillo 2012).

Additionally, the healthier image of (red) wine relative to other alcoholic drinks further contributes to a more favorable product image (van Zanten 2005). This aligns to the demand for a trendier, healthier lifestyle by Chinese consumers, which contribute to more favorable GGW attitudes (Liu et al. 2010). In GGW, the perceived product image is crucial in symbolizing good face of the giver and to please the recipient (Camillo 2012).

H2: An increase in positive product image of wine leads to an enhanced (a) GGW attitude and (b) GGW intention.

4.2.2 Gift Packaging

Packaging is a prominent extrinsic attribute for both wine consumption and gift giving (Sherman and Tuten 2011). It primarily consists of the positioning and symbolic meanings of the product (Orth and Malkewitz 2008). Appropriate or attractive wine packaging enhances consumers' perception of the product and motivation to purchase (Thomas 2000). The gift packaging of wine refers to the use of gift bags and boxes that are specifically designed for gifting purposes (Hatak and Stöckl 2008). Though gift packaging receives limited attention in Western studies, it is a critical product component demonstrating a gift's symbolic and social value in Asia (Sherman and Tuten 2011). Chinese consumers respond to the gift packaging of wine as it signals quality, good taste, and a socially desirable image (Hu et al. 2008). Therefore, the role of gift packaging is significant in forming favorable product evaluation, GGW attitudes, intention, and subsequently purchase behavior.

H3: *Wine gift packaging will contribute to an increase in GGW (a) attitudes; (b) intention; (c) behavior.*

Additionally, gift packaging could trigger purchase decisions as it reinforces consumers' favorable perceptions of wine as a gift. Gift packaging is perceived to enhance the social favorability of wine as a gift by showing good face and sincerity of the giver (Guo and Xiong 2007). Furthermore, it demonstrates a prestigious status and the purchase effort of the giver toward the recipient. Wine that comes with appropriate packaging is perceived to have lower social risks and generates more good face for both the giver and the recipient (Olsen et al. 2003). Thus, consistent with embeddedness ideals, consumers are disposed toward purchasing appropriately packaged goods. Thus, wine gift packaging could assure consumers' purchase choices and motivate the final purchase decision:

H4: *Wine gift packaging will strengthen the relationship between GGW intention and purchase behavior.*

4.2.3 Country-of-origin and Ethnocentrism

Country-of-origin (COO) describes "the extent to which the place of manufacture influences product evaluation" (Gürhan-Canli and Maheswaran 2000). It acts as an information cue and significant differentiator for identical domestic and foreign products (Verlegh and Steenkamp 1999). While most studies conducted in developed countries found that domestic-made products are preferred over foreign products, a reverse COO effect is identified in developing countries such as China (Bamber et al. 2012). Imported products (particularly one with Western COOs) are attitudinally preferred by Chinese consumers, as they imply high quality and symbolize prestige (Eckhardt and Mahi 2004).

COO is commonly utilized as a heuristic cue to determine product quality, other product attributes, willingness to pay, and purchase choice between alternatives (Koschate-

Fischer et al. 2012). Additionally, COO significantly influences consumers' brand preferences and attitudes via its embedded meanings about a country culture, technological development, natural resources, and identified competitive advantage (i.e., the long tradition of Japanese cars) (Charters and Pettigrew 2008). While the majority of preceding COO studies focused on its impact on product perception and consumer attitudes (Koschate-Fischer et al. 2012; Usunier 2006), less is known about the direct impact of COO on purchase intention and behavior. This study aims to explore these relationships in the context of GGW where incongruent findings on GGW attitudes and behavior have previously been found (Camillo 2012; Liu and Murphy 2007). To understand the dissimilar attitudes and purchase behavior toward domestic and foreign wine brands, both the impact of COO (China) and COO (Australia) on GGW attitudes, purchase intention, and behavior are examined. Specifically, consumers' perception toward the innovativeness, design attractiveness, prestige, and workmanship of products from a specific country are measured. This comparison between domestic and Western COOs provides us with insights on the role of COO in GGW decision making, as well as the current market divide between domestic and Western wine brands.

COO symbolizes the tradition, history, and culture of a product category or a brand (Eckhardt and Mahi 2004). Foreign goods are perceived to generate good face and social approval in China (DeLong et al. 2004; Lockshin and Corsi 2012). These COOs symbolize a higher social class and are widely recognized by most consumers, thus greatly enhancing the social appropriateness of wine as a gift (DeLong et al. 2004). In GGW, brands with Western COOs are attitudinally preferred compared to domestic brands, mainly due to its perceived social prestige and ability to generate good face (Liu and Murphy 2007; Yu et al. 2009). Consistent with embeddedness theory, these benefits are expected to enhance the

attractiveness and favorability of wine as a gift. In this study, Australia is utilized as an example of foreign COO given its Western image and tradition of wine making. Thus:

H5: An increase in COO (Australia) will increase (a) GGW Attitudes and (b) Purchase intention.

While the extent literature has found that foreign wines are preferred by Chinese consumers, domestic wines still dominate the local market (Hu et al. 2008; Rozelle et al. 2007). More recent research by Laforet and Chen (2012) revealed that COO can only influence Chinese consumers' purchase intention and does not impact the final brand choice for product categories such as wine. This provides an impetus for further study into the direct relationship between COO and purchase behavior. Although imported COOs exhibit favorable attitudes and purchase intention, its influence on the actual purchase behavior has not been examined (Josiassen and Harzing 2008).

Historically, COO was identified as the prominent decision-making factor for Chinese consumers who are highly image conscious (Balestrini and Gamble 2006; Camillo 2012; Liu and Murphy 2007; Yu et al. 2009). With an increasing exposure to wine, rapid economic and social development, COO exhibits a less dominating role in consumer purchase decision-makings and is not always relevant to all product categories (Laforet and Chen 2012).

Price and quality are becoming more salient drivers for brand/product choice in China, where consumers are motivated by economic and functional benefits. This would indeed be the case for a non gift-giving context and comparable to decisions made for non-conspicuous consumption also in a Western context. Furthermore, the quality and image of Chinese wines are constantly improving, thereby reducing the perceived quality and status gap between domestic and imported brands, in turn, encouraging the consumption of domestic brands (Laforet and Chen 2012). Therefore:

H6: An increase in COO (China) will increase GGW purchase behavior.

Besides the direct impact of COO (China) on purchase behavior, COO is often analyzed as an isolated effect on attitudinal influence, which hardly reflects reality. It was found that COO effect becomes less significant when tested with other factors (i.e., brand familiarity and product knowledge) (Bamber et al. 2012). Despite favorable GGW attitudes toward Western COOs, the actual behavior remains low according to the current market share. To explain the gap between attitudes and behavior, we examine the moderating role of ethnocentrism on the relationship between GGW attitude and purchase behavior (Koschate-Fischer et al. 2012).

Ethnocentrism is defined as the perceived appropriateness and morality to purchase domestic products (Batra et al. 2000). Consumers under the influence of ethnocentrism are less inclined to purchase foreign brands. Prior studies on both COO and ethnocentrism suggested that higher levels of ethnocentrism may reduce the positive effect generated by foreign COO (Bamber et al. 2012). While the negative impact of ethnocentrism on COO effect and product evaluation on foreign products was studied (Chryssochoidis et al. 2007), its moderating effect on the relationship between attitudes and purchase behavior has not been explored (Jiménez and San Martín 2010). The ethnocentric belief of consumers may potentially explain the low purchase behavior of foreign wine, suggesting a weakening effect on the relationship between GGW attitudes and purchase behavior. Thus:

***H7:** Ethnocentrism will weaken the relationship between GGW attitudes and purchase behavior.*

4.3 Subjective Norms

Subjective norms (SNs) are perceived social pressures, which influence individuals' motivation to perform a specific behavior (Ajzen 1991). In general, more favorable SNs

would contribute to an individual's higher likelihood to perform a specific behavior. A significant relationship was previously found between SNs and attitudes in relation to wine consumption in China (Yu et al. 2009). Both the gift recipient and relevant third parties (i.e., families, friends, peers) from the same network are incorporated in the measurement of subjective norms in this study. As an image product in China, consumers generally prefer products that are recommended and approved by family and friends (Yu et al. 2009). Consistent with notions of embeddedness and the influence of networks, this allows consumers to achieve their primary GGB goals of obtaining public approval and enhancing their social image (Yoon et al. 2011). Therefore, consumers are more likely to develop a favorable attitude and purchase intention toward wine when there are more supportive SNs toward the wine (Zhuo and Guang 2007).

***H8:** The more favorable the subjective norms, the more likely a consumer will form positive (a) attitudes, (b) intention and (c) purchase behavior toward the GGW.*

4.4 Perceived Behavioral Control

Perceived Behavioral Control (PBC) is a proxy for an individual's actual capability in performing a specific behavior (Ajzen 2002). Ajzen (1991) suggested that an increased level of PBC imposes a positive influence on purchase intention leading to a higher tendency to perform the behavior. Prior literature on Chinese wine consumption confirms that purchase intention and behavior are influenced by an individual's PBC (Ngamkroeckjoti et al. 2011). Consumers who perceived themselves incapable of selecting and evaluating a suitable wine exhibit lower purchase behavior (Hu et al. 2008). In the meantime, the lack of adequate financial resources was also identified as major obstacle to purchase wine (Hu et al. 2008; Yu et al. 2009). Thus:

***H9:** Higher perceived control toward the GGW is positively associated with (a) a stronger intention and (b) purchase behavior toward the GGW.*

5 Research Method

5.1 Methodology

While earlier studies on gift giving (Belk 1976) used more exploratory-based qualitative research such as focus groups and in-depth interviews (Joy 2001; Sherry 1983), here, we adopt a quantitative approach to reach a large sample of Chinese consumers through which to evaluate the relationships under examination (Malhotra et al. 2008). The online survey distribution method allows the efficient collection of socially sensitive information and is not subject to interpretation bias and small samples, as is often the case with interviews and observation (Deutskens et al. 2004).

5.2 Sample Description

Consumers (mainly from tier 1 and 2 cities, higher level of economic development, provincial capital, and coastal cities) in China were randomly selected (Malhotra et al. 2008). Of the final sample, 51 % (327 respondents) were female. All respondents were aged between 18 and 70 years old. The majority of respondents were between 18 and 40 years old (69.8 %). Within households, there was an average of three people with the average annual income ranging from approximately RMB 96,000 to 120,000 (AUD\$15,996 to AUD\$19,992) per residence.

5.3 Data Collection

The questionnaire was written originally in English, it was then translated to Chinese and back translated to English to avoid language biases and ensure that the intended meanings of

the items were delivered (Temple and Young 2004). Responses were measured using 5-point Likert scales ranging from 1=strongly disagree to 5=strongly agree. All scales were derived from previously established measures except the attitudes toward GGB, purchase motive and gift packaging, which were developed for this study. The measures for attitudes toward GGB were developed from the Chinese gift-giving literature. Each was pilot tested to assess nomological validity. Table 1 lists these details.

5.4 Pilot Testing

To detect issues in the flow and clarity of instruction (Reynolds and Diamantopoulos 1998), a pre-test was administered to 10 Chinese students living in Australia 1 month prior to the survey launch. The nomological validity of the scale items was verified and average completion time tested. Minor changes to wording and phrasing were made as a result.

5.5 Survey

A two-wave online survey was employed whereby a random sample of 1270 consumers in China was targeted across a 2-week period. A reminder e-mail and survey link was sent to all respondents to ensure anonymity. Surveys completed under the average time were excluded, resulting in 617 usable, qualified samples. Early versus late responses were compared using the methods advised by Armstrong and Overton (1977). No statistical differences were found to indicate non-response bias.

5.6 Statistical Analysis

Data screening was conducted to remove outliers and ensure that all values were within accurate ranges to conduct regression analysis. No outliers or missing cases were found. Factor analysis and reliability analysis (using Cronbach's alpha) were employed to assess the

robustness of the scales. Key factors were tested and had Cronbach's Alpha scores of 0.8 or above.

[Add Table 1: Definition of Constructs About here]

6 Results

The data were examined for multicollinearity and singularity, which is the existence of high correlations among the independent variables (Hair et al. 2003). Results show no evidence of these to exist (see Table 2). Stepwise, moderated regression was used to assess the relationship under examination (Figs. 1 and 2).

6.1 Stage 1 Analysis

Stage 1 regression examined the influence of independent variables on GGW attitude. Sixty-eight percent of the variance (R^2) in GGW attitudes is explained by these independent variables, which suggests that these independent variables have strong explanatory power over GGW attitudes. The results indicate that SNs, country-of-origin (Australia) and gift packaging are positively correlated with GGW attitudes ($p < 0.01$), which supports H3a, H5a, and H8a. H2a was rejected as negative relationship was identified between perceived product image and GGW attitudes. Table 3 details these.

6.1.1 Intentions

Next, the influence of independent variables, GGW attitudes, SNs, and PBC toward GGW intentions was examined. Perceived behavior control was significant ($p < 0.01$), which supports H9b. However, SNs was not related to GGW intention (H8b was rejected).

Additionally, product image was negatively related to purchase intention (H2b was rejected).

Country of origin (Australia) and gift packaging were also significant ($p < 0.05$) in relation to intention (H3b and H5b were supported).

6.1.2 Behavior

Lastly, the influences of independent variables, GGW attitudes, SNs, and purchase intentions on GGW purchase behavior were tested. Fifty-five percent of the variance in GGW purchase behavior was explained by independent variables (GGW attitudes and intention). This suggests that independent variables had a relatively strong explanatory power over GGW purchase behavior. More variance was explained compared to the stage 2 regression analysis. Gift packaging, perceived behavior control, and country-of origin (China) are positively correlated with GGB behavior, supporting H3c, H6, and H9b. GGW attitudes and intention were positively related to the purchase behavior ($p < 0.01$).

[Add Table 2 Regression Results Table About here]

6.2 Stage 2 Analyses (Moderating Effects)

The stage 2 regression analyses examined the moderating effects. The moderator model assessed the interaction terms between gift packaging and ethnocentrism with the TPB model. Two significant interaction terms were identified: gift packaging on the relationship between intention and behavior (β of *ATTITGIFTPAKG* = 0.600, $p < 0.10$) and ethnocentrism on the relationship between attitude and behavior (β of *ATTITETHNO* = -0.428, $p < 0.01$). H4 and H7 were supported. Table 4 details these.

[Add Table 3 Moderation Effect About here]

6.3 Post-hoc analysis

We conducted various post hoc analyses to examine the possibility of variances among groups from different city tier levels, income levels, and education backgrounds. GGW attitudes of respondents with lower education levels (high school certificate or diploma) were only driven by price consciousness and ethnocentrism. Risk aversion, altruism, and subjective knowledge were significant factors for GGW attitude for tier 3 city respondents (less economically developed) respondents only, where there was less exposure to wine consumption and lower average income levels.

The significant factors that influenced GGW behaviors for tier 1 and 2 were very similar to the overall analysis. In contrast, GGW attitudes and intention were found to be insignificant drivers of purchase behavior for tier 3 respondents. These findings depict differences in consumption patterns across geographical locations, possibly due to variations in income and exposure to wine and/or its consumption. The results based on income levels are comparable (see Appendix). Here, respondents from the lowest income group (i.e., RMB 5,999/month) identified risk aversion, altruism and objective knowledge as the driving factors for GGW attitudes. In comparison, GGW intention, altruism, and COO (China) drove GGW behavior across the income groups. Lastly, GGW attitudes of respondents with lower education levels (high school certificate/diploma) were driven by price consciousness and ethnocentrism. This suggests that higher levels of ethnocentrism significantly contribute to less favorable GGW attitudes for consumers with lower educational levels. Appendix lists these results.

7 Discussion

This paper contributes to the growing GGB research that supports TPB as a useful predictive model in Chinese wine consumption with results confirming the core relationships of the

TPB (van Zanten 2005). While many results confirmed our hypotheses and were consistent with past research, there were some unique contributions that merit attention and discussion. A major contribution of this study has been the understanding on GGW behavior: the direct impact of COO (China) on behavior and the moderating effect of ethnocentrism. While prior studies mainly identified COO effects on product evaluation, we found that COO (Australia) positively influenced GGW attitudes and intention. Furthermore, this study revealed the direct relationship between COO (China) and the final purchase decision, confirming Laforet and Chen's (2012) finding that Chinese consumers are more inclined to purchase domestic products given the potentially enhanced quality and price advantage.

Moreover, this study highlights the differing role of domestic COO (China) and foreign COO (Australia) on attitudinal and behavioral levels. The positive relationship between COO (China) and GGW purchase behavior potentially explains the current market dominance of Chinese wine brands (Camillo 2012). Most importantly, this study recognizes the evolving role of COO in Chinese wine consumption as product knowledge and experience changes in time. This prompts us to reconsider the impact of COO on wine consumption (Bamber et al. 2012).

Ethnocentrism, in contrast, exhibited a weakening effect on the relationship between GGW attitudes and purchase behavior. Though prior studies found ethnocentrism negatively influenced consumers' attitudes toward imported products, this research revealed the opposite. Specifically, ethnocentrism was found to reduce Chinese consumers' likelihood to transfer favorable GGW attitudes into actual purchase behavior. While the majority of past research has emphasized the benefits of having a Western origin on product perception and attitudes, this study indicates that the embedded Western associations of wine may activate consumers' ethnocentric beliefs and subsequently reduce the purchase behavior (Camillo 2012). This represents a new finding to the ethnocentrism and COO literature. To control the

negative impact of ethnocentrism in wine consumption, localization strategies and wine tourism could be effective tools utilized by marketers. Wine marketing could enhance consumers' knowledge on the history, culture, and regional advantage of a wine brand. The effect of ethnocentrism could thus be mitigated with enhanced consumer knowledge, product familiarity, as well as emotional attachments to the region. Additionally, a localization strategy could minimize the perceived "foreignness" of the product by improving its compatibility with local cultural norms.

Another significant finding is the negative relationship between perceived product image and GGW attitudes/purchase intention, differing from past literature (Camillo 2012; Liu and Murphy 2007). Though prior studies suggested favorable consumer perception and attitude on wine, no former research has examined the direct relationship between perceived product image and GGW attitudes/purchase intention, with the presence of other environmental factors. The negative relationship found might be due to the inadequate wine knowledge of consumers identified in this study, caused by the relative low average consumption of wine in China, consumers' inadequate product knowledge, and relatively low average consumption identified in our sample. Inaccurate product knowledge and different consumption beliefs in China toward wine may contribute to dissimilar understanding and expectations on perceived product image. Additionally, the applicability of the product image scale to GGB should be re-evaluated considering the context where the scale was originally developed (Papadopoulos et al. 1990). The dissimilar economic, cultural, and social conditions of Chinese GGW could be a potential reason for the unexpected relationship. While wine is still relatively new and consumers are still developing wine knowledge in China (Camillo 2012), it is critical for brand managers to communicate accurate and socially appropriate brand and product meanings. Using social norms to embed exchanges could assist in this. More product trials and tasting events could encourage consumers' engagement

to facilitate positive experience with product category and subsequently develop favorable attitudes toward wine.

Lastly, this study confirmed the prominence of “group conformity” and “normative influence” in Chinese consumer behavior. This is consistent with previous findings on Chinese wine consumption where enhanced social status and public approval are identified as major drivers (Somogyi et al. 2011; Yu et al. 2009). Self-identity and situational contexts were also identified as relevant determinants of attitudinal change and behavior (Belk 1975; Shaw and Shiu 2002). Future research should examine their influences in the gift-giving context in China. Additionally, gift packaging exhibited not only direct influence on GGW attitudes, intention, and behavior, but also a strengthening effect on the relationship between GGW intention and behavior. This important contextual finding, which is specific to China, demonstrates the crucial role of gift packaging in assuring consumers’ expectations and encouraging GGW behavior (i.e., prestige, expensiveness and success). Marketers may utilize different forms of gift packaging aligned with various gift-giving motives (i.e., to reinforce self-prestige, to assure quality, etc.).

A number of limitations were present in this study. Firstly, this study is limited to China; therefore, research in other Asian Collectivistic economies could be conducted for comparison. Nevertheless, this sample is considered to be representative for Chinese wine consumers. While the sample was primarily collected from tier 1 and 2 cities, which have relatively high income and education levels, wine consumption patterns from less-developed urban areas were less present in this study (20 % of respondents from tier 3 cities). Future research may address wine consumption in urban areas in China, which also exhibit fast growth, but are mostly dominated by domestic wineries (Clark 2013). This would contribute to a more comprehensive understanding on the Chinese wine market.

To conclude, this study contributes toward our understanding of the drivers, formation of attitudes, and behavior of Chinese GGW. While GGW attitudes, normative influences, and behavior control factors all positively contribute to the formation of favorable purchase intention, COO (China) and COO (Australia) revealed distinctive roles in GGW attitudes and actual purchase behavior. We found that norms and interpersonal influences play a significant role in shaping attitudes and behaviors in China and that these have a pronounced effect on economic activity, which can be effectively explained by embeddedness and social networks.

In contrast to previous findings on COO in developing countries, domestic COO (China) was found to have significant impact on GGW purchase behavior whereas foreign COO (Australia) only generates favorable attitudes. This important finding not only warrants a review of our current knowledge of COO, but also the changing role of COO given the evolving market conditions of many developing countries. While past literature identified that foreign brands was almost always preferred over Chinese brands for gift giving and important social occasion (Liu and Murphy 2007; Yu et al. 2009), our findings may reflect the practical reality for consumers. That is, overly luxurious and expensive wines are not always affordable for the majority of consumers and as such present a key contribution.

We delve further into potential explanations. First of all, consumers may report socially desirable answers. Chinese consumers may have a tendency to over-report their intention to purchase foreign wine for gift giving to save face and comply with public preference on western brands. Secondly, gift giving is associated with a wide range of contexts and occasions, ranging from casual gifts between friends to more important annual gifts between families during Chinese New Year or work superiors. Diverse occasions and types of gift giving suggest that prestigious gifts may only be chosen for limited occasions. Our findings confirmed that local brands are still purchased as gifts in most occasions in China, regardless of the favorable attitudes and purchase intention expressed by respondents.

In addition, inadequate financial resources and product knowledge may constrain Chinese consumers' ability in choosing foreign wine brands as a gift. Furthermore, brand recognition and reputation are prominent purchase considerations for Chinese consumers. To conclude, our findings on GGW behavior revealed that though foreign brands are attitudinally preferred over domestic brands, Chinese consumers are actually more likely to purchase domestic brands as gifts.

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Figure 1. *Conceptual Model*

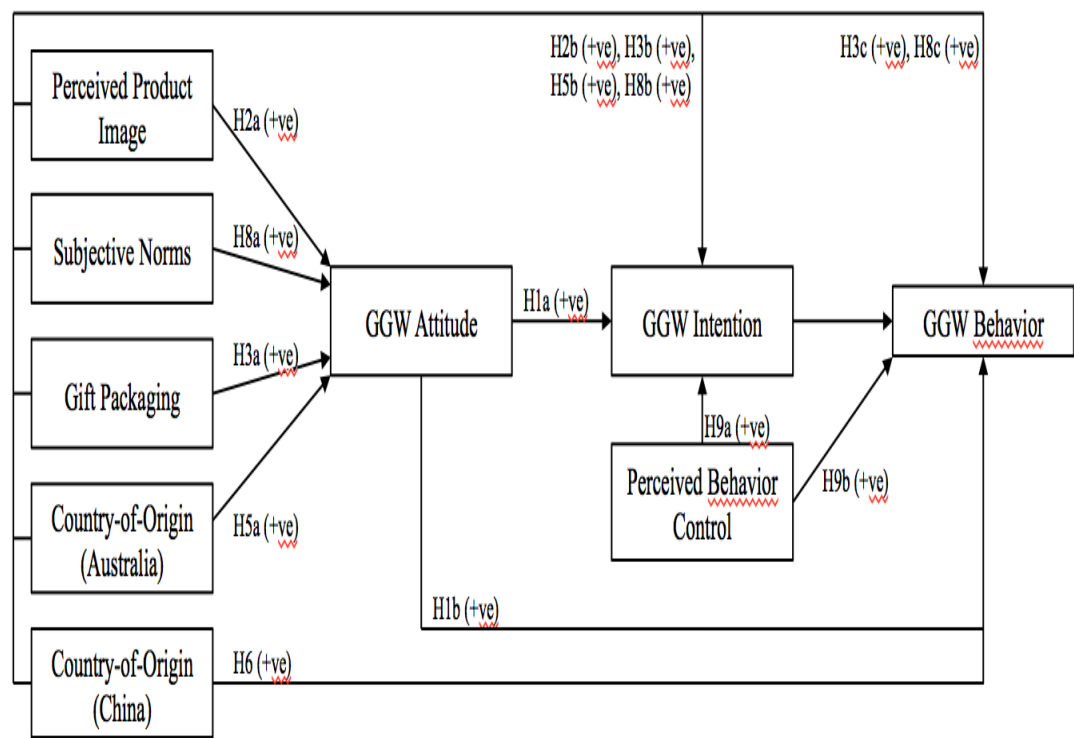


Figure 2. *Moderating Effects*



Table 1: Definition of Constructs

Constructs	Definition
Price	The degree with which respondents are motivated by price (Lichtenstein et al. 1993). 6 items. M= 12.87; SD= 2.970
Consciousness	
Risk Aversion	The likelihood respondents will avoid risk by intending to buy familiar products. Adapted from Price and Ridgway (1983). 9 items. M=18.85; SD=2.486;
Altruism	The degree to which respondents place importance upon the needs of others (Rushton et al. 1981). 12 Items. M=34.87; SD=6.670
Subjective Knowledge	The sum of the perception of respondents of their own wine knowledge Johnson and Bastian (2007). 5 items. M=14.16; SD=3.962;
Objective Knowledge	An assessment of what a consumer actually knows about wine. Taken from Adapted from Johnson and Bastian (2007). 11 items. M=36.38; SD=5.117
Knowledge of Action	The perception an individual holds of the ease with which the behavior can be performed (Ajzen 1991). 3 items. M=11.17; SD=1.956
GGW attitudes	The sum of the product of consumer beliefs and evaluations (Ajzen 1991) and further modified for this study. 9 items. M=72.12; SD=7.674
Subjective Norms	The sum of the opinion of the product of each referent group and the subject's motivation to comply (Ajzen 1991). 12 items. M=41.36; SD=5.496
Past Behavior	The assessment of how likely consumers will perform the behavior in the future according to past behavior (Ajzen 1991). 3 items. M=10.63; SD=2.509
Purchase Intention	The likelihood that an individual will perform the behavior in the future (Ajzen 1991). 3 items. M=12.42; SD=3.423
Perceived Behavior Control	The sum of self-efficacy and perceived capability to perform GGW behavior (Ajzen 2001; Olsen et al. 2003). 10 items. M=36.93; SD=22.747
Purchase Motives	Examines an individual's opinion on the social norms regarding GGB in China. These scales were gathered from various Chinese gift-giving literatures, reflecting major GGB norms of impression management ('face', personal preference and social image), interpersonal influence (recipients and third parties) and social obligation (Camillo 2012; Li and Su 2007; Liu and Murphy 2007; Yau et al. 1999a). 6 items. M=23.29; SD=3.032
Product Image	Measure consumers' opinions towards the product image. Scale taken from (Parameswaran and Pisharodi 1994). 16 items. M=12.08; SD=3.444
Country-of-origin (Australia)	Measures consumers' attitudes towards products with Australian origin (Koschate-Fischer et al. 2012). 4 items. M=15.50; SD=2.435
Country-of-Origin (China)	Measures consumers' attitudes towards products with Chinese origin (Koschate-Fischer et al. 2012). 4 items. M=13.22; SD=3.181
Brand Familiarity	Examines respondents self-ascribed familiar level with Australian brands. 5 items (Muncy 1996). 5 items. M=11.28; SD=3.115
Gift Packaging	The sum of consumers' attitudes and opinions towards the special packaging of wine. Scale developed for this study. 9 items. M=35.98; SD=5.289
Collectivism	Measures the level to which an individual is interdependence on the group. Scale taken from (Singelis et al. 1995). 8 items. M=39.53; SD=4.264
Ethnocentrism	Measures consumers' ethnocentric tendencies related to purchasing foreign versus Chinese-made products (Shimp and Sharma 1987). 10 items. M=25.93; SD=7.208

Table 2: Regression Results

	Outcomes		
	GGW Attitude	GGW Intention	GGW Behavior
Control Variables			
ATTIT_GGW	N/A	.145**	.195***
Intention	N/A	N/A	.157***
PCON	-.022	-.013	-.026
RISK	.022	-.022	-.037
ALTRUISM	.038	.056	.146***
SubjKnow	-.061*	.099**	-.119***
ObjKnow	.041	.022	.046
KnowAct	.095***	.053	.098**
SNs	.168***	.053	.092**
PERCVDCntrl	N/A	.354***	.110**
PureMotive	.222***	.136***	.041
ProductImage	-.089**	-.100***	.060
COOAU	.035	.078**	-.352
COOCN	-.016	-.052	.104***
BRANDFAM	-.117***	-.010	.013
GIFTPKG	.142***	.069*	.070**
COLLECVM	.098***	-.026	.007
INDIVSM	.122***	.007	-.091**
ETHNO	-.019	.061	.016

* $p \leq .10$; ** $p \leq .05$ (one-tailed test); *** $p \leq .01$

Table 3: Moderation Effects

Ethnocentrism (Independent variable: GGW Attitudes, Dependent variable: GGW behavior)

	GGW Behavior
<i>Control variables</i>	
Intention	.159***
PCON	-.016
RISK	-.042
ALTRUISM	.151***
SUBJKnow	-.108***
ObjKnow	.053*
KnowAct	.091**
Interpersonal	.091**
PERCVDCntrl	.134***
PurcMotive	.042
ProductImage	.050
COOAU	-.010
COOCN	.091***
BRANDFAM	.029
GIFTPKG	.067*
COLLECVM	.007
INDIVSM	-.081**
<i>Independent variables</i>	
ATTIT_GGW	.458***
ETHNO	.399***
ATTIT_GGW × ETHNO	-.428***
R^2	.558

* $p \leq .10$; ** $p \leq .05$ (one-tailed test); *** $p \leq .01$

Gift Packaging (Independent variable: GGW Intention, Dependent variable: GGW behavior)

	GGW Behavior
<i>Control variables</i>	
ATTIT_GGW	.196***
PCON	-.026
RISK	-.041
ALTRUISM	.143***
SUBJKnow	-.116***
ObjKnow	.046
KnowAct	.099**
Interpersonal	.094**
PERCVDCntrl	.124**
PurcMotive	.029
ProductImage	.065*
COOAU	-.013
COOCN	.096***
BRANDFAM	.016
COLLECVM	.008
INDIVSM	-.091**
ETHNO	.016
<i>Independent variables</i>	
Intention	-.187
GIFTPKG	-.273
Intention × GIFTPKG	.600*
R^2	.555

* $p \leq .10$; ** $p \leq .05$ (one-tailed test); *** $p \leq .01$

Table 4: Correlation Matrix

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1. Behavior	1																			
2. ATTIT_GGW	.62**	1																		
3. Intention	.56**	.61**	1																	
4. PCON	-.10**	-.13**	-.12**	1																
5. Risk	.41**	.50**	.38**	.07	1															
6. Altruism	.49**	.45**	.38**	-.4	.42**	1														
7. Subjective Knowledge	-.47**	-.48**	-.35**	.25**	-.37**	-.32**	1													
8. Objective Knowledge	.35**	.38**	.30**	-.01	.30**	.30**	-.24**	1												
9. KnowAct	.55**	.56**	.47**	-.16**	.48**	.45**	-.59**	.38**	1											
10. Subjective norms	.48**	.58**	.45**	.13**	.41**	.37**	-.22**	.26**	.34**	1										
11. Perceived Control	.62**	.71**	.66**	-.22**	.47**	.43**	-.58**	.35**	.63**	.48**	1									
12. Social Norms	.56**	.66**	.58**	-.02	.49**	.40**	-.39**	.35**	.49**	.58**	.70**	1								
13. ProductImage	-.20**	-.38**	-.32**	.33**	-.16**	-.13**	.39**	-.05	-.26**	-.10**	-.39**	-.22**	1							
14. COOAU	.45**	.52**	.45**	-.03	.41**	.38**	-.37**	.33**	.47**	.42**	.51**	.49**	-.22**	1						
15. COOCN	.39**	.30**	.24**	.04	.34**	.32**	-.26**	.24**	.35**	.26**	.33**	.35**	.02	.46**	1					
16. BRANDFM	-.20**	-.36**	-.24**	.34**	-.17**	-.15**	.45**	-.04	-.29**	-.06	-.33**	-.15**	.60**	-.22**	.05	1				
17. GIFTPKG	.49**	.61**	.49**	-.06	.47**	.33**	-.32**	.26**	.39**	.54**	.55**	.55**	-.22**	.48**	.32**	-.15**	1			
18. Collectivism	.48**	.60**	.45**	-.03	.50**	.49**	-.29**	.28**	.45**	.51**	.55**	.56**	-.17**	.50**	.42**	-.16**	.53**	1		
19. Individualism	.35**	.55**	.41**	-.03	.42**	.36**	-.25**	.23**	.40**	.45**	.49**	.44**	-.22**	.40**	.26**	-.15**	.48**	.56**	1	
20. ETHNO	-.03	-.21**	-.12**	.31**	.009	.001	.21**	.08*	-.07*	-.02	-.19**	-.03	.54**	-.08*	.30**	.55**	-.12**	-.02	-.16**	1

Figure 8. Pearson Correlation Matrix (One-tail test)